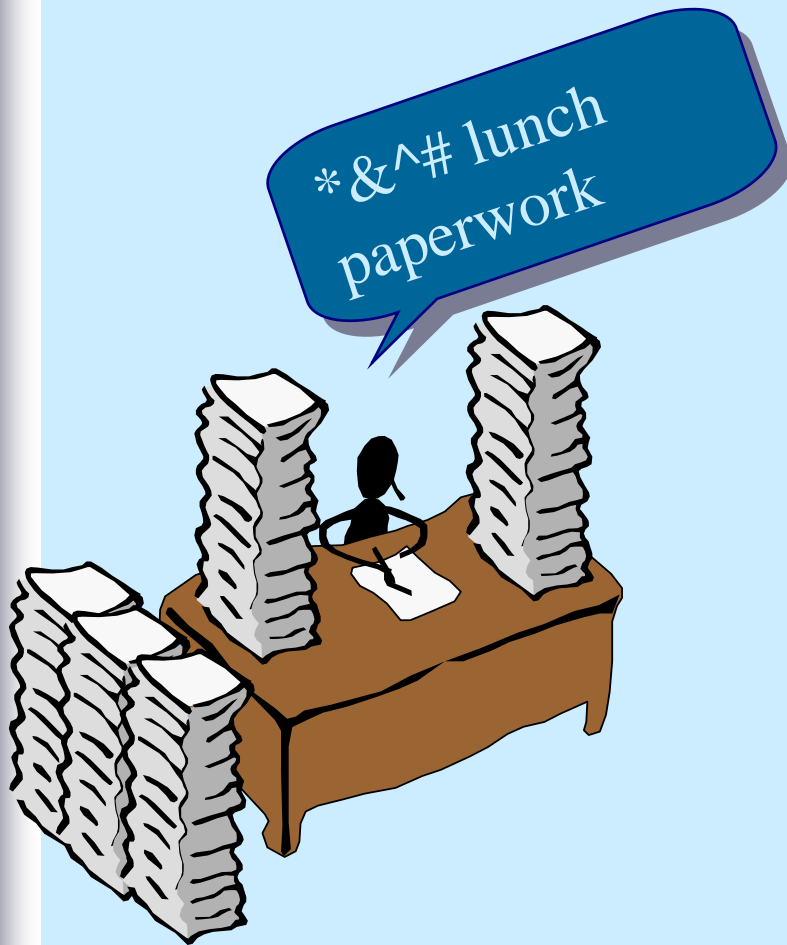




United States Department of Agriculture

Provisions 2 & 3

Why special provisions?



- Reduce paperwork
- Reduce meal count burdens
- Provision 1 & 2 in NSLA since 1977
- Provision 3 since 1994
- Found in 7 CFR 245.9



Provision 1

Simplified Applications

- Schools where 80% of students eligible for free and reduced price
- Children eligible for **FREE** meals are certified every 2 years
- Do not have to serve all meals at no charge

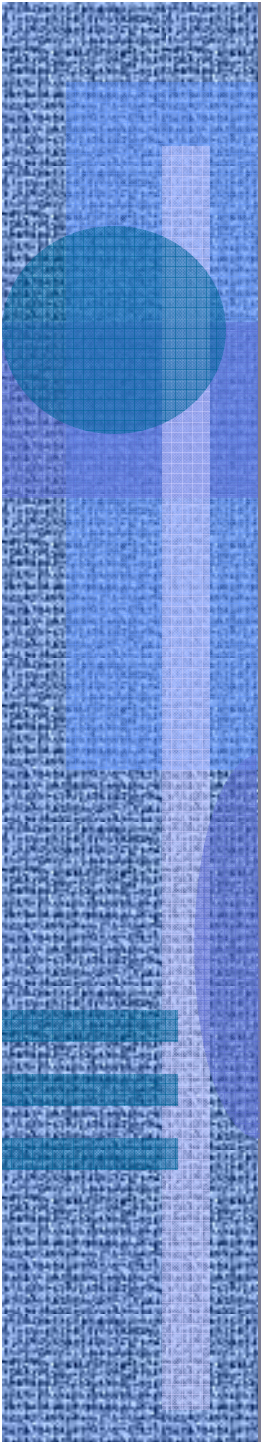
Provision 2

- No minimum % of free or reduced price
- **ALL MEALS AT NO CHARGE**
- Base year: Eligibility determinations and daily meal counts by type
 - claim reimbursement from these counts
- Subsequent years: Count daily total meals
 - claim reimbursement by type using base year percentages



Provision 3

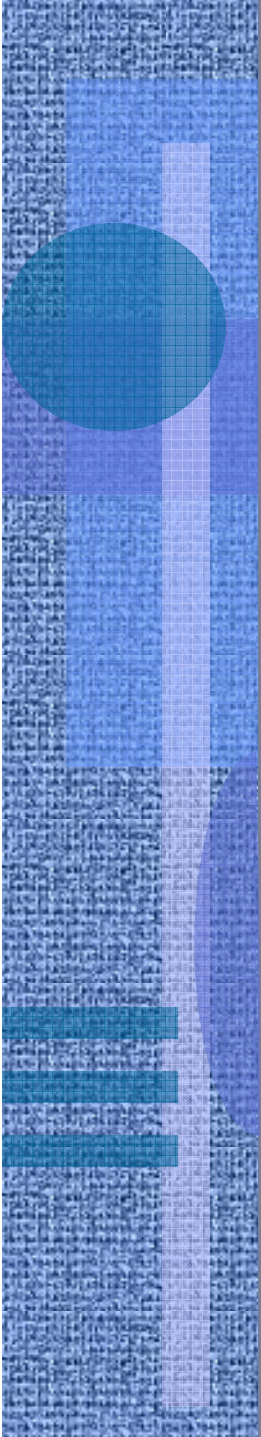
- No minimum % of free or reduced price
- Base year meals either at no charge or regular pricing program
- Count daily meals by type in the base year
 - claim reimbursement from these counts
- Claim same level of reimbursement as adjusted in non-base years



Provision 2 Changes

Delayed Implementation

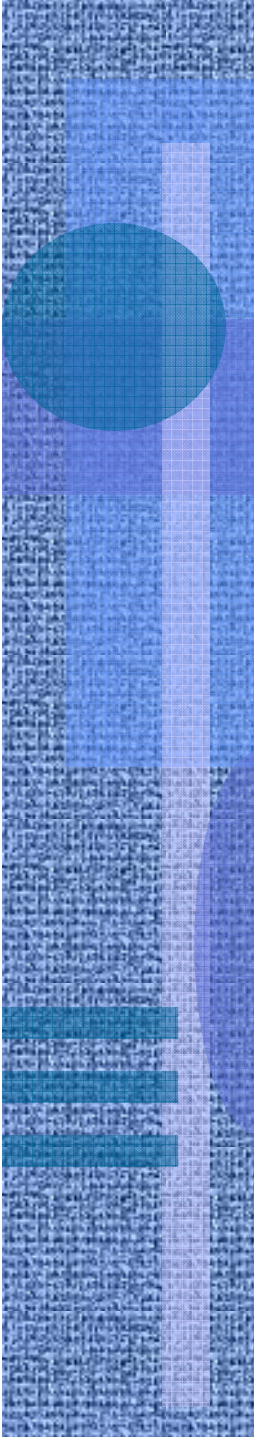
Annual Percentages



Provision 3 Changes

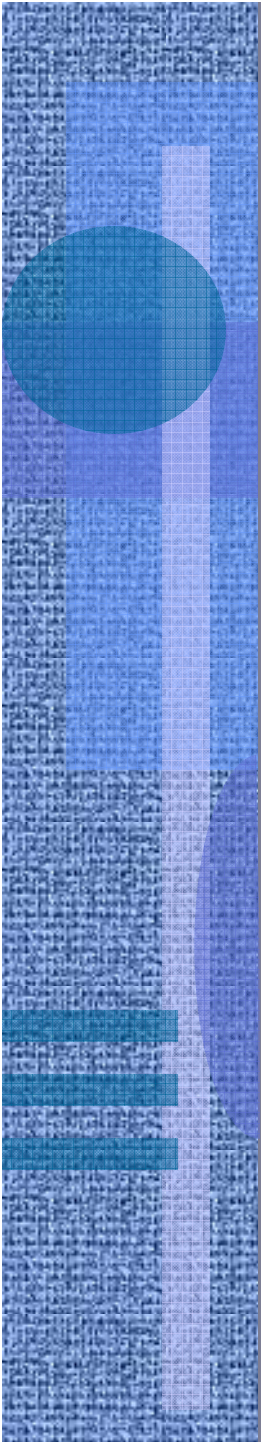
Meal Counts at POS

Adjustment for Operating Days



Changes/Clarification Both Provisions

1. Edit Checks
2. Verification
3. Duration of Base Year
4. Negligible Improvement
5. Streamlined Base Year
6. Statistical Requirements
7. Recordkeeping



Provision 2 Changes Delayed Implementation

1. SA may approve delayed implementation for 1st claim period
2. School may charge students in reduced price and paid meal categories

GOAL: Elicit public response to application request

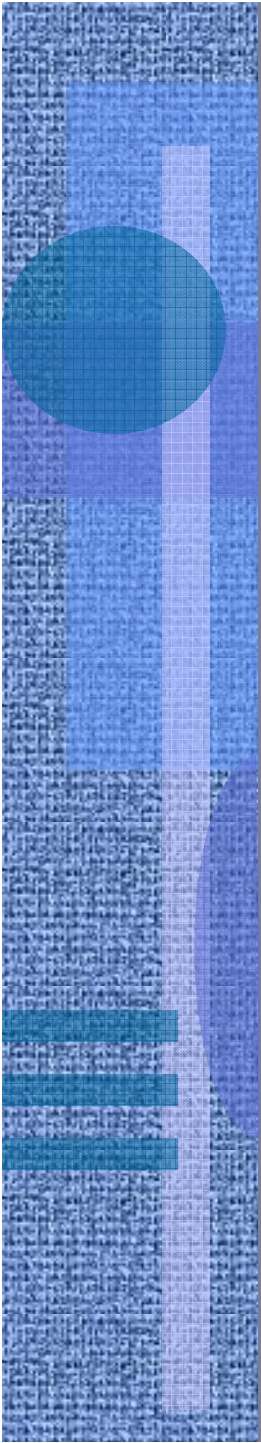


Provision 2 Changes

Annual claiming percentages

1. School may add meal counts by category for the entire base year and convert to claiming percentages for F/RP/P
2. School then uses the annual claiming percentage for each category for each month of the non-base year

GOAL: Simplify application of claiming percentages

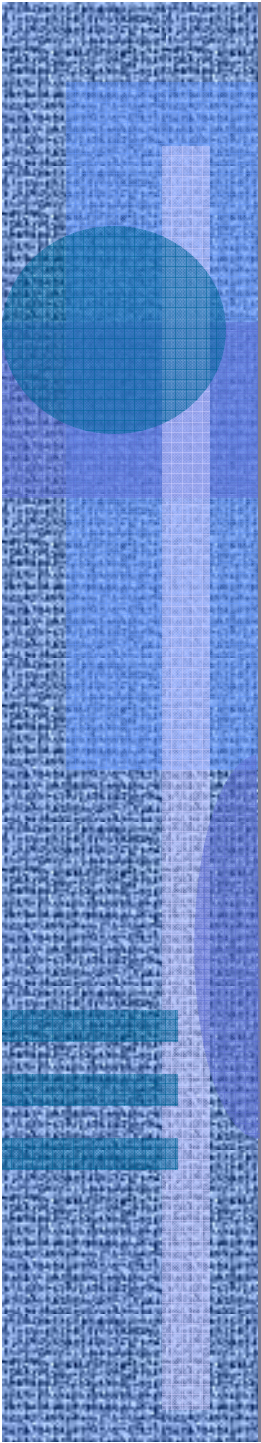


Provision 3 Changes

Meal Counts at POS

1. Require meal counts of reimbursable meals at the POS
2. Failure to maintain service level requires corrective action, possible return to standard meal service

GOAL: To ensure a quality food service with high participation does not degrade (with drop in participation)

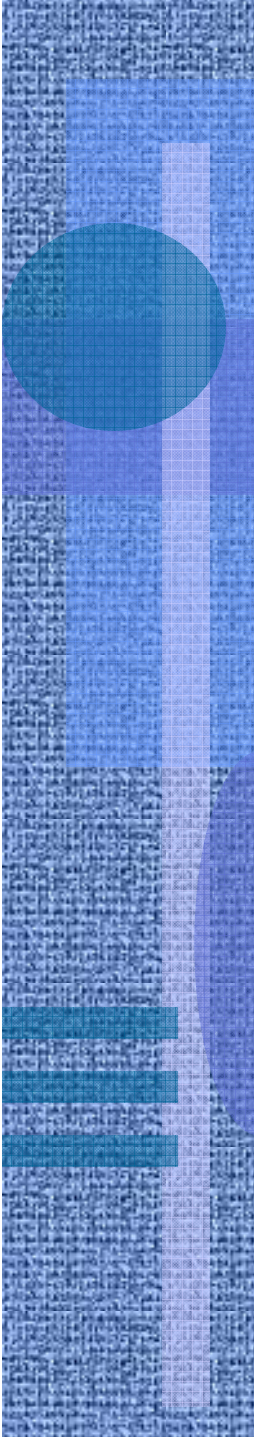


Provision 3 Changes

Operating Days

1. Adjustments based on enrollment, inflation and **operating days**
2. Operating day adjustment when it impacts the number of meals served
3. Can be done monthly/annually

GOAL: To ensure reimbursement reflects meal service operations



Changes/Clarifications Both Provisions

1. Edit Checks
2. Verification
3. Duration of Base Year
4. Negligible Improvement
5. Streamlined Base Year
6. Statistical Requirements
7. Recordkeeping



Changes – Both Provisions

Edit Checks

1. Base Year – Complete edits
2. Non-base year – Simplified edits
 - Provision 2 = Attendance adjusted enrollment compared to daily total meals
 - Provision 3 = SFA designed system to ensure level of service considering attendance adjusted enrollment



Changes/Clarifications– Both Provisions

Verification

1. Base Year – Complete full verification process
2. Non-base year – No verification in Provision 2/3 schools when:
 - School offers only one meal program (e.g., NSLP) & participates as Provision 2/3
 - School offers NSLP and SBP and both programs under Provision 2/3



Changes/Clarifications– Both Provisions

Duration of Base Year

Base year must start at the beginning*
of a school year

*except for Provision 2 delayed implementation sites

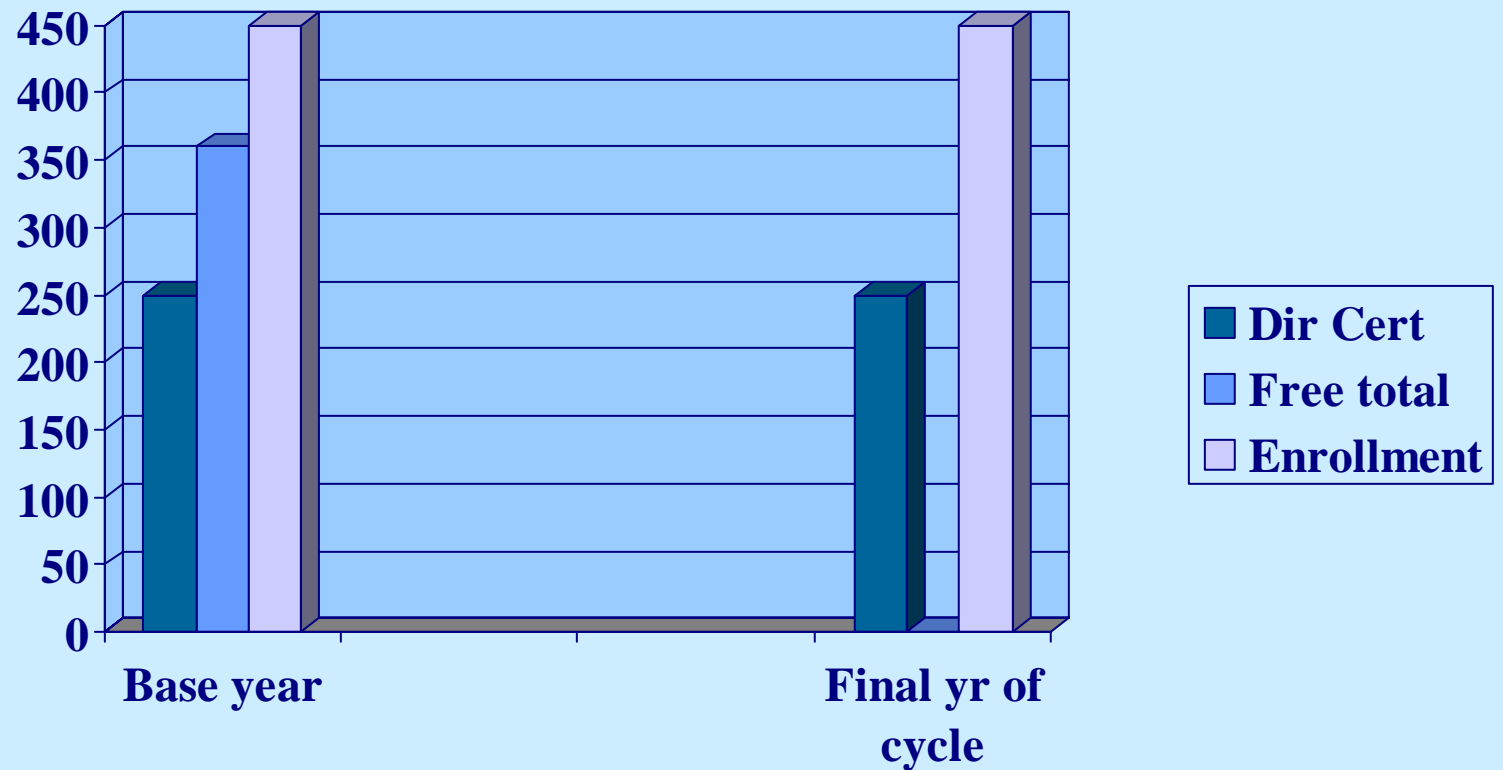


Changes/Clarifications– Both Provisions

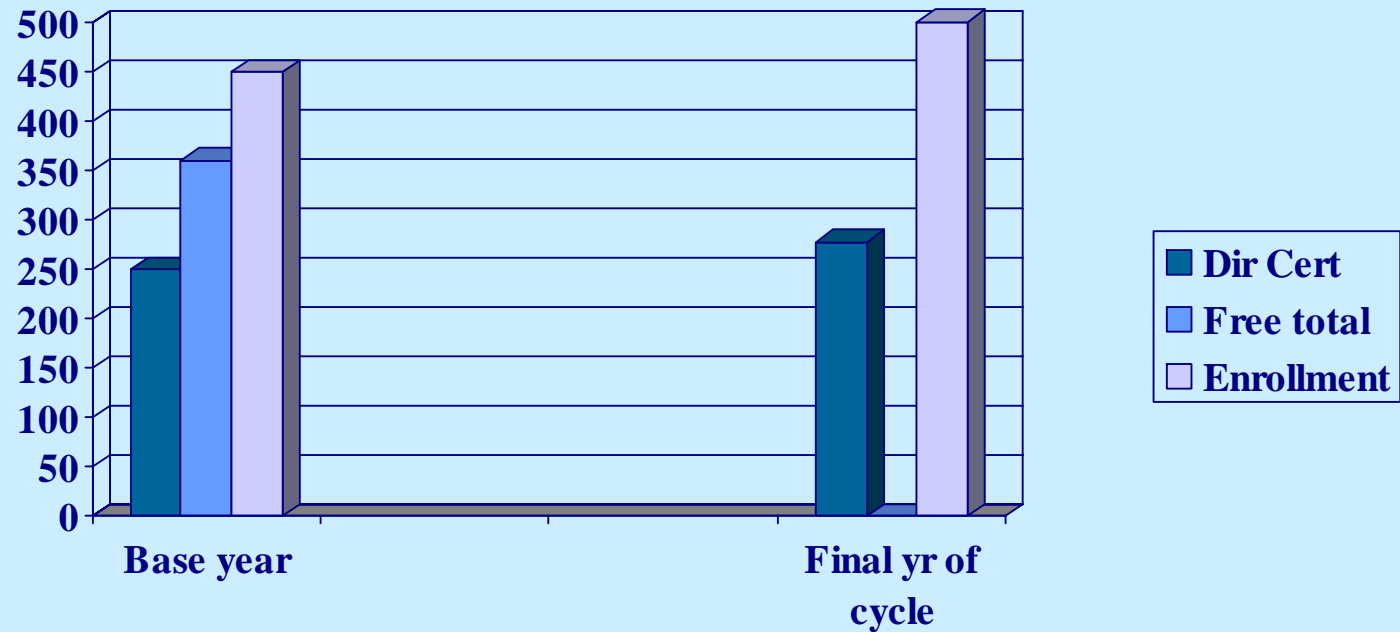
Extensions - Income level of the school population has remained stable, declined or had only negligible improvement

Defines “negligible improvement” as **5% or less** improvement in the income level of the school’s population.

Extension using Direct Certification



Extension using Direct Certification



- Base Year: $250dc / 450enrl = 55.5\%$
- Final Year: $278dc / 500enrl = 55.6\%$



Changes/Clarifications– Both Provisions

Streamlined base year

Only after a completed cycle

Enrollment based – Determine eligibility based on statistical sample of enrollment - Calculate percentages

Participation based – Determine eligibility based on statistical sample of participating students over multiple days - Calculate percentages



Changes/Clarifications– Both Provisions

Statistical Sampling

Sets standards for conducting streamlined
base year calculations

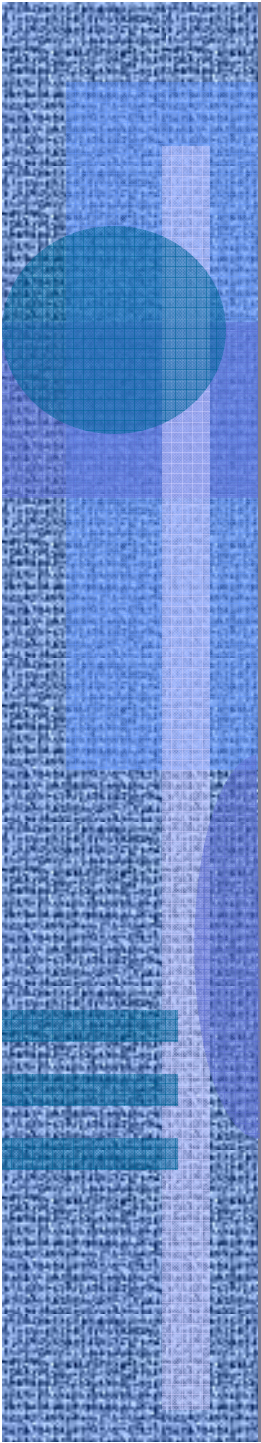


Changes/Clarifications – Both Provisions

Recordkeeping

Base year – Retain eligibility determinations, counting and claiming records *for duration of Provision plus extensions* and 3+ years

Non-base year – Retain counting and claiming records for 3+ years



State Agency Changes - Both Provisions Notification

States must notify
SFAs when 4-year
cycle is ending

Requirements

- In writing
- Sent not later than Feb. 15
- 4th year of cycle
- SA may choose other date

State Agency Changes - Both Provisions

State Approval

Prior to approval for Provision, States must ensure program compliance

Compliance with

- 210.19 = NSLP General program Management
- 220.13 = Special responsibilities of State agencies



State Agency Changes – All Provisions

- When State finds:
 - SFA incorrectly implemented Provision 1,2,3
 - Meal quality has declined because of the Provision
 - Participation has declined over time
 - Eligibility process or verification incorrect, or
 - Meal counts incorrectly taken or applied

- State must:
 - Provide technical assistance
 - Adjust level of financial assistance
 - Return SFA to standard procedures

(As Appropriate)



FNS Guidance

Implementation Guidance for Provision 2

Drafted – Working copy

Implementation Guidance for Provision 3

Decision Guidance after grant States submit reports

State agency CRE Guidance for non-base years



USDA

Thank You